



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Friday Evening, January 04, 2008

Major Development

Wind Storms Cut Power to Almost 600,000 Customers in Northern California January 4

As of 9 a.m. PST January 4, about 454,000 PG&E customers and 130,000 Sacramento Metropolitan Utility District were without power after heavy winds downed power lines in Northern California. The company said that 603,000 PG&E customers lost power at some point since outages began around 3 a.m. PST January 4. Most of the PG&E outages occurred in the San Francisco area, or north of the city. California said yesterday it would activate state emergency operations centers today. Southern California Edison reported only 26 customer outages, and Oregon said it had no weather-caused power problems.

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN0429918420080104>

<http://www.oes.ca.gov/Operational/OESHome.nsf/ALL/8E53C98E9843A37F882573C600542A86?OpenDocument>

Electricity

Missouri PSC to Investigate Utilities' Responses to December Ice Storm

The Missouri Public Commission will investigate Aquila's Empire's, AmerenUE's, and KCP&L's responses to December ice storms, according to several press releases. The storms knocked out power to more than a million customers, including over 150,000 in Missouri. At least some of those customers remained in the dark for more than a week. Citing those extended outages, the commission said it would survey the utilities' preparations for and responses to the storm.

<http://www.psc.mo.gov/press-releases/pr-08-99-psc-staff-to-investigate-aquilas-storm-preparation-and-restoration-efforts>

<http://www.psc.mo.gov/press-releases/pr-08-98-psc-staff-to-investigate-amerenu2019s-storm-preparation-and-restoration-efforts>

TVA's 1,118 MW Browns Ferry Nuke Unit 2 in Alabama Reduced to 90 Percent January 4

According to the Nuclear Regulatory Commission, the unit was at full power on January 3.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: Dominion's 917 MW North Anna Nuke Unit 2 in Virginia at Full Power January 4

According to the Nuclear Regulatory Commission, the unit was operating at 82 percent on January 3. The unit shut December 26 due to a problem with a reactant cooler pump.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

First Energy's 913 MW Bruce Mansfield Coal-fired Unit in Pennsylvania Shut January 4—Traders

Reuters, 11:14 January 4, 2008

Luminant to Shut 793 MW Monticello Coal-fired Unit 3 in Texas January 4

According to a filing with state regulators, TXU will shut the unit to repair a boiler tube leak.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=101770>

Reuters, 07:57 January 4 2008

AEP's 529 MW Welsh Coal-fired Unit 1 in Texas Expected Back Jan 4-8

The company shut the unit January 3 to perform work on auxiliary equipment. AEP plans to restart the unit sometime between January 4 and 8, it said in a filing with state regulators.

Reuters, 08:02 January 4, 2008

Mirant's 682 MW Pittsburg Gas-fired Unit 7 in California Shut January 4

According to a report issued by the California Independent System Operator, the unit shut for unplanned reasons.

<http://www.caiso.com/unitstatus/data/unitstatus200801031515.html>

Update: InterGen's 322 MW La Rosita Gas-fired Unit in Mexico Returns to Service January 4

According to a report issued by the California Independent System Operator, the unit returned to service after an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200801031515.html>

Update: Construction Complete at 300.5 MW Cedar Creek Wind Farm in Colorado BP, Babcock & Brown Bring Final 20 MW Online January 3

The farm's first 280.5 MWs came online in November. Yesterday, joint-developers BP and Babcock & Brown brought online the remaining 20 MW. Construction began in December, 2006, and finished on schedule, according to a press release. The 274-turbine farm sells its power to the Public Service Company of Colorado. .

<http://www.bizjournals.com/denver/stories/2007/12/31/daily21.html>

Petroleum

Flint Hills Shuts Cumene Unit at 288,126 b/d Corpus Christi, Texas Refinery January 4

According to a filing with state regulators, Flint Hills will shut the Cumene Unit to repair a defective electrical switch. The unit should be back online January 5. It is unclear if the shutdown will impact production.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=101983>

ExxonMobil, PDVSA to Shut Units Earlier Than Expected at 200,700 b/d Chalmette, Louisiana Refinery January 4

ExxonMobil and PDVSA will shut a 72,000 b/d fluid catalytic cracking unit (FCCU) and an alkylate unit at their jointly-owned Chalmette, Louisiana refinery January 4, a news source and company spokesperson said. The maintenance, though planned, surprised some traders, who thought the FCCU would be online until the end of January. Work should last about five weeks.

OPIs, 3:48 January 3, 2008

Flaring Reported at Valero's 142,000 b/d Corpus Christi, Texas Refinery January 3

According to a filing with state regulators, Valero performed unplanned maintenance in Complex 7 on January 3. The incident resulted in flaring.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=101995>

Bloomberg, 20:33 January 3, 2008

Flaring Reported at Total's 95,500 b/d Port Arthur, Texas Refinery January 3

According to a filing with state regulators, an air line froze during freeze protection preparations, cutting off air to the Alkylation Unit. The incident lasted 90 minutes, and resulted in flaring.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=101994>

Update: Pemex Reopens More Crude Export Terminals in Mexico January 4

The crude oil loading terminals at Dos Bocas, Pajaritos, Cayo Arcas opened today, according to a weather bulletin update on the Web site of Mexico's Merchant Marine. The Madero and Altamira terminals opened yesterday, while the Salina Cruz terminal on the Pacific Ocean remains closed. The company also restarted its Tabasco state loading terminal. Wind and rain have shut the terminals since the January 1.

Bloomberg, 10:29 January 4, 2008

http://www.bloomberg.com/apps/news?pid=20601086&sid=a32_5VHZYpOY&refer=latin_america

Wind, Waves Shut 45,000 b/d of North Sea Oil Production January 4

Talisman Energy shut 25,000 b/d of oil production from its Blake and Ross fields in the United Kingdom's North Sea, a company spokesman said. The heavy winds and waves should keep the fields closed for a few days, he said. Also due to the weather, Norway's StatoilHydro shut its 20,000 b/d Veslefrikk platform, a spokesman said.

Bloomberg, 13:59 January 4, 2008

Reuters, 07:27 January 4, 2008

US Crude Stocks Slip to Three-Year Low, EIA Report Says

Crude stocks dropped 4 million barrels last week, an Energy Information Administration report said January 3. The drawdowns countered analysts' predictions of a more modest decline, and overwhelmed a 205,000 b/d import jump. The 289.6 million barrel total is the lowest since January 2005.

<http://www.platts.com/Oil/News/8449041.xml?p=Oil/News&sub=Oil>

MMS Finalizes Chukchi Sea, Offshore Alaska Lease Sale

The Minerals Management Service will hold its first Federal Outer Continental Shelf (OCS) oil and gas lease sale in the Chukchi Sea since 1991 on February 6, 2008. The Chukchi Sea is considered one of the last areas in North America with potential as a significant source for oil and gas. MMS estimates it could contain 15 billion barrels of recoverable oil, although exploration is needed to assess what may be commercially available.

<http://www.mms.gov/Alaska/latenews/newsrel/News%20Releases%202008/193%20Final%20Notice.pdf>

OPEC December Oil Production Higher than Planned – Reuters Poll

Ten OPEC nations produced 27.39 million b/d of crude oil in December, a 410,000 b/d increase from November, a Reuters poll found. In September, OPEC raised its production goal to 27.25 million b/d, beginning November 1.

Reuters, 10:56 January 4, 2008

Update: Saudi Aramco Pushing Forward with Planned 500,000 b/d Khursaniyah Oil Field in Saudi Arabia, Despite Delays

Saudi Aramco is conducting "precommissioning activities" for its proposed 500,000 b/d Khursaniyah oil field, the company said January 3. It did not say when production would begin. The field's scheduled startup was in December, but delays in related facilities have hampered progress, industry sources said. They said an associated gas-oil separation plant will not be finished until the end of February.

Oil Daily, January 4, 2008

Natural Gas

Update: Williams Completes Expansion of Transco Natural Gas Pipeline January 3 Construction Adds 100 MMcf/d, Boosts Service to New York Metropolitan Area

The expansion included 12 miles of new 42-inch pipeline, 2.5 miles of replaced pipeline, a new compressor facility in Old Bridge, N.J., and other small adjustments. It raised Transco Pipeline's full capacity to 8.3 Bcf/d.

http://www.foxbusiness.com/markets/industries/energy/article/williams-completes-expansion-provide-additional-natural-gas-service-northeast_423598_11.html

Boardwalk Starts Service along East Texas to Mississippi Natural Gas Pipeline Expansion

Boardwalk Pipeline Partners has brought online part of its planned pipeline expansion, the company said January 3. The new capacity links Keatchie, Louisiana to the Texas Gas Transmission and Columbia Gulf Transmission pipeline interconnects, in Louisiana. Remaining pipeline facilities in Louisiana and Mississippi should be online soon.

<http://biz.yahoo.com/bw/080103/20080103005997.html?.v=1>

NGS Energy Plans Natural Gas Transportation and Storage Hub in Louisiana

The proposed Gulf Coast Connector, a natural gas transportation and storage hub, would run from Perryville to Delhi, in Northeast Louisiana, linking the gas-rich Barnett Shale to new markets. Apart from other projects, Gulf Coast Connector will utilize salt storage caverns to provide a full menu of highly flexible storage and hub related services. Pending regulatory approval, transportation service could begin in mid-2009, and storage capacity could open in 2010.

http://www.downstreamtoday.com/News/Articles/200801/NGS_to_Build_Natural_Gas_Transportation_7924.aspx

Other News

EIA's Energy Outlook Update to Address Impacts of Recent Energy Legislation

The Energy Information Administration (EIA) will be updating recently released projections of U.S. energy demand and supply through 2030 to reflect the provisions of the Energy Independence and Security Act of 2007, which was signed into law on December 19, 2007. Specifically, the Annual Energy Outlook 2008 (AEO2008) reference case, which is often used as the baseline for analyses of proposed policy changes and had originally reflected existing laws and policies as of October 2007, will be revised to reflect the estimated impacts of this new law on future energy use.

<http://www.eia.doe.gov/neic/press/press294.html>

Explosion at 7 Million Gallon/Year American AG Fuels Biodiesel Plant in Ohio January 3

Works evacuated the Defiance, Ohio plant yesterday afternoon. Three people were taken to the hospital.
Bloomberg, 02:58 January 4, 2008

Energy Prices

U.S. Oil and Gas Prices			
January 4, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.77	97.07	55.65
NATURAL GAS Henry Hub \$/Million Btu	7.51	7.11	5.60

Source: Reuters

Energy Notes

TVA Sets Winter Peak Power Demand—30,537 MW—as Temperatures Plummet in U.S. Southeast January 2

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=9487719

Update: Construction Complete at Excelerate Energy's 400-500 MMcf/d Northeast Gateway Energy Bridge LNG Port Offshore MA January 3—Awaits Coast Guard Operations Permit

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=9486601

ConocoPhillips, Marathon Oil to Supply Alaska Utilities with Natural Gas, Help Develop Cook Inlet Projects, in Exchange for State for LNG Export License

<http://uk.reuters.com/article/oilRpt/idUKN0326307820080104>

Update: WestPac Delays Plans for Combined LNG Terminal, 1,200 MW Gas-fired Power Plant in British Columbia

<http://www.energycurrent.com/index.php?id=3&storyid=7867>

Bad Weather Shuts Novorossiisk Oil Port in Russia for Second Straight Day January 4

Reuters, 05:02 January 4, 2008

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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